

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4810

To amend title XIX of the Social Security Act to prohibit the Secretary of Health and Human Services from granting a waiver under the medic-aid program to permit a State to require children enrolled in the program to receive medical assistance under the program through managed care plans unless such assistance is provided through an integrated child health care network, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 21, 1994

Ms. SCHENK (for herself and Mr. LEHMAN) introduced the following bill;  
which was referred to the Committee on Energy and Commerce

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## A BILL

To amend title XIX of the Social Security Act to prohibit the Secretary of Health and Human Services from granting a waiver under the medicaid program to permit a State to require children enrolled in the program to receive medical assistance under the program through managed care plans unless such assistance is provided through an integrated child health care network, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Integrated Child  
3 Health Care Network Act of 1994”.

4 **SEC. 2. LIMITATION ON MANAGED CARE WAIVERS AFFECT-**  
5 **ING CHILDREN UNDER MEDICAID.**

6 (a) REQUIRING MEDICAL ASSISTANCE FOR CHIL-  
7 DREN FURNISHED THROUGH MANAGED CARE TO BE  
8 FURNISHED THROUGH INTEGRATED NETWORKS.—Sec-  
9 tion 1915 of the Social Security Act (42 U.S.C. 1396n)  
10 is amended by adding at the end the following new sub-  
11 section:

12 “(i)(1) The Secretary may not grant a waiver under  
13 this section, section 1115, or any provision of this Act that  
14 includes a waiver of the requirements of section  
15 1902(a)(23) to permit a State to restrict the medical as-  
16 sistance furnished under the State plan to a child to as-  
17 sistance furnished through a primary care case-manage-  
18 ment plan under subsection (b)(1) or a capitated managed  
19 care plan unless such a plan—

20 “(A) furnishes such assistance to the individual  
21 through an integrated child health network described  
22 in paragraph (2);

23 “(B) provides assurances that the capitated  
24 payments made to providers for assistance furnished  
25 to children enrolled in the plan are determined on

1 the basis of children's health care needs and utiliza-  
2 tion of services; and

3 “(C) submits reports (at such intervals as the  
4 Secretary may require) to the Secretary and the  
5 State containing such information as the Secretary  
6 and the State may require to assure that the plan  
7 meets the requirements of subparagraphs (A) and  
8 (B), and makes the reports available to the public.

9 “(2) In this subsection:

10 “(A) A ‘capitated managed care plan’ means an  
11 entity which—

12 “(i) has a contract with the State agency  
13 under which such entity is paid a fixed amount  
14 for providing or arranging for the provision of  
15 health care items or services specified in such  
16 contract to an individual eligible for medical as-  
17 sistance under the State plan and enrolled with  
18 such entity, regardless of whether such items or  
19 services are furnished to such individual; and

20 “(ii) is liable for all or part of the cost of  
21 furnishing any of such items or services, re-  
22 gardless of whether such cost exceeds such fixed  
23 payment.

24 “(B) A ‘child’ is an individual under 18 years  
25 of age.

1           “(C) An ‘integrated child health network’  
2       means a network of providers with expertise in pro-  
3       viding services to children that meets the following  
4       requirements (together with any other requirements  
5       that Secretary may impose):

6           “(i) The network includes (but is not lim-  
7       ited to)—

8           “(I) pediatricians and pediatric spe-  
9       cialists, family practice physicians, and  
10      other pediatric health professionals;

11          “(II) community-based clinics that  
12      provide services of providers described in  
13      subclause (I); and

14          “(III) hospitals with pediatric units  
15      which are a distinct part of the hospital  
16      (as defined by the Secretary), hospitals  
17      whose inpatients are predominantly chil-  
18      dren, and specialty hospitals whose inpa-  
19      tients are predominantly children (includ-  
20      ing rehabilitation and long-term care hos-  
21      pitals).

22          “(ii) The network has an explicit mission  
23      of meeting the health care needs of children.

1 “(iii) The network participates in graduate  
 2 medical education programs for primary and  
 3 specialty pediatric care services.

4 “(iv) The network provides for the coordi-  
 5 nation of pediatric specialty and subspecialty  
 6 care for children with special health care needs,  
 7 including (but not limited to)—

8 “(I) children eligible for supplemental  
 9 security income under title XVI;

10 “(II) children described in section  
 11 501(a)(1)(D); and

12 “(III) children described in section  
 13 1902(e)(3).”.

14 (b) EFFECTIVE DATE.—The amendment made by  
 15 subsection (a) shall apply to quarters beginning on or  
 16 after the expiration of the 6-month period that begins on  
 17 the date of the enactment of this Act.

18 **SEC. 3. GRANTS FOR ESTABLISHMENT OF INTEGRATED**  
 19 **CHILD HEALTH NETWORKS APPLYING SEPA-**  
 20 **RATE CAPITATED PAYMENT RATE FOR CHIL-**  
 21 **DREN.**

22 (a) AVAILABILITY OF GRANTS.—

23 (1) IN GENERAL.—The Secretary of Health and  
 24 Human Services shall make grants to eligible enti-  
 25 ties over a 3-year period for the establishment, ini-

1 tial operation, and the continuing operation of inte-  
2 grated child health networks using different payment  
3 models, including grants to demonstrate the oper-  
4 ation of networks applying a separate capitated pay-  
5 ment rate with respect to children enrolled with the  
6 network. The previous sentence shall apply to dem-  
7 onstrations of such networks initiated by States.

8 (2) INTEGRATED CHILD HEALTH NETWORK DE-  
9 FINED.—In this section, the term “integrated child  
10 health network” has the meaning given such term in  
11 section 1915(i)(2)(C) of the Social Security Act (as  
12 added by section 2(a)).

13 (b) ELIGIBILITY OF ENTITIES.—An entity is eligible  
14 to receive a grant under subsection (a) if the entity sub-  
15 mits to the Secretary (at such time and in such form as  
16 the Secretary may require) an application containing—

17 (1) assurances that the entity has established  
18 or is in the process of establishing an integrated  
19 child health network;

20 (2) assurances that the entity will submit re-  
21 ports on the activities of the entity that are funded  
22 through the grant; and

23 (3) such other information and assurances as  
24 the Secretary may require.

1       (c) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated such sums as may be  
3 necessary for grants under subsection (a).

4       (d) REPORT TO CONGRESS.—Not later than 3 years  
5 after the first grant is awarded under subsection (a), the  
6 Secretary shall submit a report to Congress on the grants  
7 made under subsection (a) and the activities funded  
8 through such grants.

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